

Lafourche Parish Fire Protection District No. 6

ANNUAL FINANCIAL REPORT

As of and for the Year Ended December 31, 2012

Lafourche Parish Fire Protection District No. 6
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Lafourche Parish Fire Protection District No. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

This discussion and analysis of the Lafourche Parish Fire Protection District No. 6 financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2012.

The District implemented GASB Statements 63 and 65 during the current year. The statements provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources which defines those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. The statement also identifies net position as the residual of all other elements presented in a statement of financial position. The changes in implementing these statements are noted throughout the report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities report information as a whole and about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws. All of the basic services provided are reported in governmental funds that focus on how money flows

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in reconciliations at the bottom of the fund financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations assets exceeded liabilities by \$147,197 (net position).
- Total net assets are comprised of the following:
 - (1) Invested in capital assets of \$153,036 including the cost of stations, trucks and equipment, net of accumulated depreciation and net of related debt.
 - (2) Restricted for debt service of \$2,746.
 - (3) Restricted for capital projects of \$1,287,510
 - (4) Unrestricted net assets of (\$1,296,095) representing the portion available to maintain the continuing obligations to citizens and creditors. The large negative unrestricted net assets was due to bonds issued in the current year however the assets that will be purchased with those bonds will not be reflected until the next year.
- Total spending for all public safety activities was \$329,327 for the year, which was \$295,045 more than the program revenues for these activities - \$34,282.
- The general revenues of ad valorem taxes used to offset the deficit for program expenditures totaled \$282,479 for the year.
- The governmental funds reported total ending fund balance of \$1,294,161, of which \$3,905 was considered unassigned, \$2,746 was restricted for debt service and \$1,287,510 was restricted for capital purchases. This compares to the prior year ending fund balance – of \$78,721, showing an increase of \$1,215,440 during the current year.
- Total revenue reported for all governmental funds was \$316,761. Total expenditures were \$401,321, including \$287,137 of current expenditures and \$114,184 of debt service.

Lafourche Parish Fire Protection District No. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

The Statement of Net Position and the Statement of Activities reports all services performed as governmental activities. General ad valorem taxes, operating grants and contributions, and fees charged to community homes finance most of these activities.

Our analysis below focuses on the net assets of the governmental-type activities:

Condensed Statement of Net Position

	2012	2011	Dollar Change	Total Percent Change
Current and Other Assets	\$ 1,294,161	\$ 106,876	\$ 1,187,285	>100%
Capital Assets	153,036	181,042	(28,006)	-15.5%
Total Assets	1,447,197	287,918	1,159,279	402.6%
Deferred Outflows				
of Resources	380,939	257,176	123,763	48.1%
Current Liabilities	15,000	30,000	(15,000)	-50.0%
Long Term Liabilities	1,285,000	70,000	1,215,000	>100%
Total Liabilities	1,300,000	100,000	1,200,000	>100%
Deferred Inflows				
of Resources	380,939	285,331	95,608	33.5%
Invested in Capital Assets	153,036	81,042	71,994	88.8%
Restricted for Debt Service	2,746	37,499	(34,753)	-92.7%
Restricted for Capital Projects	1,287,510	-	1,287,510	>100%
Unrestricted	(1,296,095)	41,222	(1,337,317)	>100%
Total Net Assets	\$ 147,197	\$ 159,763	\$ (12,566)	-7.9%

Net assets decreased by \$12,566 as a result of this year's operations. The balance in net assets represents the accumulated results of all past year's operations.

Lafourche Parish Fire Protection District No. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

Condensed Statement of Activities

	2012	2011	Dollar Change	Total Percent Change
Charges for Services	\$ -	\$ -	-	-
Operating Grants and Contributions	34,282	34,621	(339)	-1.0%
Program Expenses:				
Current	301,320	219,563	81,757	37.2%
Depreciation - unallocated	28,007	28,007	-	0.0%
Total program expenses	329,327	247,570	81,757	33.0%
Net program income	(295,045)	(212,949)	82,096	38.6%
General revenues	282,479	244,779	37,700	15.4%
Change in Net Assets	(12,566)	31,830	(44,396)	54.0%
Net Assets:				
Beginning of the year	159,763	127,933	31,830	24.9%
End of the year	\$ 147,197	\$ 159,763	\$ (12,566)	-7.9%

Total revenues generated by governmental activities for the year were \$316,761 (\$34,282 in program revenues and \$282,479 in general revenues). The total cost of all fire protection programs and services was \$329,327.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The governmental funds reported a combined fund balance of \$1,294,161. This reflects an increase of \$1,215,440 from the prior year.

The General Fund fund balance decreased by \$37,317 from the prior year and reported an ending unassigned fund balance of \$3,905. Revenues from ad valorem taxes and an insurance rebate were \$281,695 which was approximately a 13% increase from revenue recorded in the prior year. Current expenditures also increased from the prior year by slightly more than 34% and totaled \$287,137. The result at the end of the year was an excess of expenditures over revenues of \$5,442 before an operating transfer to the debt service fund.

The Debt Service Fund experienced a decrease of \$34,753 in fund balance resulting in an ending fund balance of \$2,746 which was all restricted for debt service. Ad valorem taxes received of \$35,066 and debt service expenditures of \$101,694 including \$100,000 of principal payments to pay off the bonds resulted in the excess of expenditures over revenues of \$66,628 before an operating transfer from the general fund.

Lafourche Parish Fire Protection District No. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no amendments to the original budget for the General Fund for the year.

CAPITAL ASSETS

The investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2012 and 2011 was \$153,036 and \$181,042 respectively.

	2012	2011
Land	\$ 22,298	\$ 22,298
Stations	157,165	157,165
Trucks	331,161	331,161
Equipment	68,313	68,313
Total Cost	578,937	578,937
Accumulated Depreciation	425,901	397,895
Net Capital Assets	<u>\$ 153,036</u>	<u>\$ 181,042</u>
Depreciation Expense	<u>\$ 28,007</u>	<u>\$ 28,007</u>

There were no additions and no disposals during the year. More detailed information about the capital assets is presented in Note 6 to the basic financial statements.

LONG-TERM DEBT

On March 1, 2012, taxpayers approved an issuance of bonds and the levy of a special tax to issue \$1,300,000 of 20 year general obligation bonds of the District of the purpose of acquiring, construction and improvements to buildings, machinery and equipment, including fire trucks for the District. During the year, the District retired the remaining \$100,000 from the General Obligation Bond, Series 1999.

More detailed information about long-term liabilities is presented in Note 7 to the financial statements.

Lafourche Parish Fire Protection District No. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Highlights of next year's adopted budget for the general fund include:

Beginning Fund Balance	\$	6,000
Projected Revenue		265,982
Projected Expenditures		(266,400)
Ending Fund Balance	\$	<u>5,582</u>

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Lafourche Parish Fire Protection District No. 6 finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Richard Williams, Jr., Chairman
P.O. Box 792
Thibodaux, LA 70302
985-447-5468

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Of the Lafourche Parish Fire Protection District No. 6
Lafourche Parish, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lafourche Parish Fire Protection District No. 6, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2012, and the notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Statements*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

To the Board of Commissioners,
Of the Lafourche Parish Fire Protection District No. 6,
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In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund as of December 31, 2012 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Board of Commissioners,
Of the Lafourche Parish Fire Protection District No. 6,
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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 24, 2013, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

Stagni & Company

Thibodaux, Louisiana
June 13, 2013



LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6

Statement of Net Position

December 31, 2012

ASSETS

Cash and cash equivalents	\$ 309,189
Prepaid Assets	984,972
Capital assets, net of depreciation	153,036
Total assets	<u>1,447,197</u>

DEFERRED OUTFLOWS OF RESOURCES

Due from other governments - Ad valorem taxes	259,653
Taxes Receivable - Ad valorem taxes	121,286
	<u>380,939</u>

LIABILITIES

Bonds Payable:

Due in one year	15,000
Due in more than one year	1,285,000
Total long term liabilities	<u>1,300,000</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Revenues - Ad valorem taxes	380,939
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NET POSITION

Net investment in capital assets	153,036
Restricted for:	
Capital Purchases	1,287,510
Debt Service	2,746
Unrestricted	(1,296,095)
Total net position	<u>\$ 147,197</u>

See notes to the financial statements and accountant's report.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6

Statement of Activities

For the Year Ended December 31, 2012

	Program Revenues			
	Expenses	Charges for Services	Operating Grants & Contributions	Net (Expense) Revenue
Governmental activities:				
General government - Recreation	\$ 329,327	\$ -	\$ 34,282	\$ (295,045)
Total governmental activities:				(295,045)
General revenues:				
Ad Valorem Taxes				282,479
Total general revenues				282,479
Change in net position				(12,566)
Net assets - beginning				159,763
Net assets - ending				\$ 147,197

See notes to the financial statements and accountant's report.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6

Balance Sheet - Governmental Funds

December 31, 2012

	General	Sinking Fund	Project Fund	Totals Governmental Funds
ASSETS				
Cash	\$ 3,905	\$ 2,746	\$ 302,538	\$ 309,189
Prepaid deposit on fire truck purchase	-	-	984,972	984,972
Taxes receivable	81,862	39,424	-	121,286
Due from other governments	175,253	84,400	-	259,653
Total assets	<u>\$ 261,020</u>	<u>\$ 126,570</u>	<u>\$ 1,287,510</u>	<u>\$ 1,675,100</u>
LIABILITIES				
Current Liabilities:				
Deferred revenue - Property Taxes	\$ 257,115	\$ 123,824	\$ -	\$ 380,939
Total liabilities	<u>257,115</u>	<u>123,824</u>	<u>-</u>	<u>380,939</u>
FUND BALANCES				
Restricted for Capital Projects		2,746		2,746
Committed for Capital Projects			1,287,510	1,287,510
Unassigned	3,905			3,905
Total fund balances	<u>3,905</u>	<u>2,746</u>	<u>1,287,510</u>	<u>1,294,161</u>
Total liabilities, equity, and other credits	<u>\$ 261,020</u>	<u>\$ 126,570</u>	<u>\$ 1,287,510</u>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				
				153,036
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.				
	Current	(15,000)		
	Long-term	<u>(1,285,000)</u>		
				(1,300,000)
				<u>\$ 147,197</u>

See notes to the financial statements and accountant's report.

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ending December 31, 2012

	General	Sinking Fund	Project Fund	Total Governmental Funds
REVENUES				
Ad Valorem Taxes	\$ 247,413	\$ 35,066	\$ -	\$ 282,479
Insurance Rebate	34,282	-	-	34,282
Total Revenues	281,695	35,066	-	316,761
EXPENDITURES				
General government - current:				
St. John Volunteer Fire Department	281,000	-	-	281,000
Publications	1,238	-	-	1,238
Professional Services	2,000	-	-	2,000
Operating Expenditures	2,899	-	-	2,899
Total current expenditures	287,137	-	-	287,137
Capital expenditures	-	-	-	-
Debt service:				
Principal retirement	-	100,000	-	100,000
Interest and fiscal charges	-	1,694	12,490	14,184
Total debt service	-	101,694	12,490	114,184
Total expenditures	287,137	101,694	12,490	401,321
Excess (deficiencies) of revenues over expenditures	(5,442)	(66,628)	(12,490)	(84,560)
Other financing sources (uses):				
Interfund Transfers	(31,875)	31,875	-	-
Bond Proceeds	-	-	1,300,000	1,300,000
Total other financing sources (uses)	(31,875)	31,875	1,300,000	1,300,000
Net change in fund balance	(37,317)	(34,753)	1,287,510	1,215,440
FUND BALANCES				
Beginning of year	41,222	37,499	-	78,721
Ending of year	\$ 3,905	\$ 2,746	\$ 1,287,510	\$ 1,294,161
Net change in fund balances - total governmental funds from above:				\$ 1,215,440
Amounts reported for <i>governmental activities</i> in the statement of activities (government-wide financial statements) are different because:				
Governmental funds report capital outlays as expenditures in the individual fund. Governmental activities report depreciation expense to allocate the cost of those capital assets over the estimated useful lives of the asset.				
Capital Asset purchases	\$ -			
Depreciation		(28,006)		(28,006)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:				
Issuance of bonds payable		(1,300,000)		
Bond principal retirement		100,000		
				(1,200,000)
Change in net assets of governmental activities				\$ (12,566)

See notes to the financial statements and accountant's report.

LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

The Lafourche Parish Fire Protection District No. 6 (the District) operates under provisions of the Louisiana Revised Statutes and local ordinances established by the Lafourche Parish Council. The District provides the facilities, equipment, program, and finances to conduct recreational activities throughout the year. The District has all the rights and powers and privileges granted by and conferred by the Constitution and Statutes of the State of Louisiana, including the right to incur debt, issue bonds and levy taxes.

The District implemented GASB Statements 63 and 65 during the current year. The statements provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources which defines those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. The statement also identifies net position as the residual of all other elements presented in a statement of financial position. The changes in implementing these statements are noted throughout the report.

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Lafourche Parish Fire Protection District No. 6 (the District) conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

A. *Reporting Entity*

As the governing authority of the parish, for reporting purposes, the Lafourche Parish Council is the financial reporting entity for Lafourche Parish. The Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the Lafourche Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Based on criterion applied, the District is a component unit of the Lafourche Parish Council. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Lafourche Parish Council, the general government services provided by the Council, or the other governmental units that comprise the financial reporting entity.

LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements – Basis of Presentation

Government-Wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds).

Both the government-wide and fund financial statements categorize primary activities as governmental type activities. All of the District's administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts—invested in net investment in capital assets; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and activities. These functions are also supported by general government revenues (interest earned.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (interest earned, etc). This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Governmental Funds

Governmental Funds are those through which the governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The Governmental Funds of the District are as follows:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and related costs.

Capital Project Fund - The Capital Project Fund is used to account for the acquisition, construction and improvements to buildings, machinery and equipment, including fire trucks. The primary funding is bond proceeds.

C. *Measurement Focus, Basis of Accounting and Financial Statement Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)*

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

Ad valorem taxes are considered susceptible to accrual. Interest income is recorded when received by the District. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

D. *Budgets*

The District complies with the "Louisiana Local Government Budget Act" and henceforth, budgets are adopted for its governmental funds on a modified accrual basis that is consistent with generally accepted accounting principles.

Annual budgets are prepared by the Secretary/Treasurer of the Board along with a budget message and presented to the Board for adoption no later than 15 days prior to the beginning of the fiscal year. Budgets are adopted for the fiscal year and lapse at a year-end. The budget is amended by supplemental appropriations as needed to during the year to comply with state law.

E. *Cash*

Cash includes amounts in demand deposits, interest-bearing deposits, and money market accounts. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. Investments are stated at cost.

LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash (Continued)

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

F. Capital Assets

Capital assets, which include land, improvements, stations and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is not material and therefore not included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

	CATEGORY	LIFE
	BUILDINGS	20 YEARS
	TRUCKS	20 YEARS
	EQUIPMENT	5 YEARS

LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

G. *Long Term Debt*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Long-term liabilities for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal, interest and other long-term benefits are reported as expenditures.

I. *Fund Equity*

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Board through approval in minutes. Assigned fund balances is a limitation imposed by a designee of the District. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

J. *Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 DEPOSITS

Demand (deposits, interest bearing demand deposits and certificates of deposit) are recorded at cost, which approximates fair value. At December 31, 2012, the carrying amount and the bank balance of deposits was \$309,189.

LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

Custodial credit risk is the risk that in an event of a bank failure, the district's deposits may not be returned to it. Of the total deposit balance, \$59,189 is considered exposed to custodial credit risk. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank. The market values of the pledged securities plus the federal deposit insurance (FDIC) must at all time equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The District did not have any securities pledged to secure the deposits at December 31, 2012. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 AD VALOREM TAXES

Property taxes are levied each December 1 on the assessed value listed as of the prior January 1 for all real property, merchandise, and moveable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at the percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2012.

Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes.

The current year ad valorem tax revenue is derived from the 2011 tax levy. The tax rate for the year ended December 31, 2011 was 7.6 mills assessed valuation on property within Lafourche Parish Fire Protection District No. 6 for the purpose of maintaining and operating the facilities and programs, and 1.0 mill for the purpose of payment of general long term debt principal, interest, and related costs for the District.

The taxes receivable, due from other governments and deferred revenue for ad valorem taxes reflected on the current year statements is the 2012 levy that is budgeted for and will be reflected as revenue in the next year. The tax rate for the year ended December 31, 2012 was 7.6 mills assessed valuation on property within Lafourche Parish Fire Protection District No. 6 for the purpose of maintaining and operating the facilities and programs, and 3.4 mills for the purpose of payment of general long term debt principal, interest, and related costs for the District.

**LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2012**

Note 3 AD VALOREM TAXES (Continued)

The Lafourche Parish Sheriff's Office collects the taxes levied and remits the taxes collected to the District. The District uses the revenue from ad valorem taxes collected to finance the next year's operations; therefore all taxes levied are recognized as deferred in the current year's financial statements.

Note 4 COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members during the year ended December 31, 2012.

Note 5 DUE FROM OTHER GOVERNMENTAL UNITS

The amounts due from other governmental units consisted of December ad valorem tax collections due from the Lafourche Parish Sheriff to be remitted to the District in January.

Note 6 CAPITAL ASSETS

Capital assets and depreciation activity for the year is as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$22,298			\$22,298
Capital assets being depreciated				
Stations	157,165			157,165
Trucks	331,161			331,161
Equipment	68,313			68,313
Total being depreciated	\$556,639			\$556,639
Total Assets	\$578,937			\$578,937

LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

Note 6 **CAPITAL ASSETS (continued)**

Less accumulated depreciation:

Stations	\$74,653	\$3,929		\$78,582
Trucks	264,930	22,077		287,007
Equipment	58,312	2,000		60,312
Totals	\$397,895	\$28,006		\$425,901
Capital assets, net	\$181,042			\$153,036

Depreciation expense of \$28,006 for the year was charged to the governmental activities in the Statement of Activities.

Note 7 **LONG TERM DEBT**

The District had outstanding a General Obligation Bond, Series 1999 bearing interest at a rate of 4.727% payable through May 2019.

A summary of changes in long-term debt of the District is as follows:

	Payable 12/31/11	Debt Incurred	Debt Retired	Payable 12/31/12
General Obligations Bonds, Series 1999	\$100,000		\$100,000	\$0

On March 1, 2012, taxpayers approved an issuance of bonds and the levy of a special tax to issue \$1,300,000 of 20 year general obligation bonds of the District of the purpose of acquiring, construction and improvements to buildings, machinery and equipment, including fire trucks for the District.

A Summary of Changes in long-term-debt of the District is as follows:

	Payable 12/31/11	Debt Incurred	Debt Retired	Payable 12/31/12
General Obligations Bonds, Series 2012	\$0	\$1,300,000	\$0	\$1,300,000

LAFOURCHE PARISH
FIRE PROTECTION DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2012

Note 7 **LONG TERM DEBT (continued)**

The annual requirements, including interest, to amortize all long-term debt outstanding are as follows:

Maturity	Principal	Interest	Total
2013	\$15,000	\$60,671	\$75,671
2014	45,000	40,088	85,088
2015	45,000	39,503	84,503
2016	45,000	38,828	83,828
2017	50,000	38,043	88,043
2018-2022	285,000	171,881	456,881
2023-2027	360,000	120,070	480,070
2028-2032	455,000	47,195	502,195
Totals	\$1,300,000	\$556,278	\$1,856,278

Note 8 **RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed.

***REQUIRED SUPPLEMENTAL
INFORMATION***

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6

Budget Comparison Schedule - General Fund

For the Year Ending December 31, 2012

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final (no amendments)		
REVENUES				
Ad Valorem Taxes	\$ 225,000	\$ 225,000	\$ 247,413	\$ 22,413
Insurance Rebate	32,000	32,000	34,282	2,282
Total Revenues	257,000	257,000	281,695	24,695
EXPENDITURES				
General government - current:				
St. John Volunteer Fire Department	245,000	245,000	281,000	(36,000)
Publications	2,000	2,000	1,238	762
Professional Services	2,000	2,000	2,000	-
Operating Expenditures	-	-	2,899	(2,899)
Total current expenditures	249,000	249,000	287,137	(38,137)
Capital Expenditure	-	-	-	-
Total expenditures	249,000	249,000	287,137	(38,137)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,000	8,000	(5,442)	(13,442)
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	-	-	(31,875)	(31,875)
Total other financing sources (uses)	-	-	(31,875)	(31,875)
NET CHANGE IN FUND BALANCES	8,000	8,000	(37,317)	(45,317)
FUND BALANCES				
Beginning of year	6,000	6,000	41,222	35,222
Ending of year	\$ 14,000	\$ 14,000	\$ 3,905	\$ (10,095)

LAFOURCHE PARISH FIRE PROTECTION DISTRICT NO. 6

Budget Comparison Schedule - Debt Service
For the Year Ending December 31, 2012

	Budgeted Amounts (no amendments)			Variance - Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Ad Valorem Taxes	\$ 34,743	\$ 34,743	\$ 35,066	\$ 323
Total Revenues	34,743	34,743	35,066	323
EXPENDITURES				
Debt service:				
Principal reitrement	71,231	71,231	100,000	(28,769)
Interest and fiscal charges	-	-	1,694	(1,694)
Total debt service	71,231	71,231	101,694	(30,463)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(36,488)	(36,488)	(66,628)	(30,140)
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	-	-	31,875	(31,875)
Total other financing sources (uses)	-	-	31,875	(31,875)
NET CHANGE IN FUND BALANCES				
	(36,488)	(36,488)	(34,753)	(1,735)
FUND BALANCES				
Beginning of year	38,600	38,600	37,499	1,101
Ending of year	\$ 2,112	\$ 2,112	\$ 2,746	\$ (634)

***REPORTS REQUIRED BY GOVERNMENT
AUDITING STANDARDS***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,
Of the Lafourche Parish Fire Protection District No. 6
Thibodaux, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Lafourche Parish Fire Protection District No. 6, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated June 13, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we do not express an opinion on the effectiveness of the internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

June 13, 2013
Thibodaux, Louisiana



Lafourche Parish Fire Protection District No. 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2012

Section I - Summary of Auditor's Reports

- The auditor's report expresses an unqualified opinion on the basic financial statements.
- No deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
- No instances of noncompliance or other matters under *Government Auditing Standards* were disclosed during the audit of the financial statements.
- No instances of noncompliance under the provisions of Louisiana Governmental Audit Guide were disclosed during the audit of the basic financial statements.
- The District neither received nor expended any federal awards during the year.

Section II - Financial Statement Findings

- There were no financial statement findings during the audit of the basic financial statements.

Section III - Federal Award Findings and Questioned Costs

- There were no federal award findings during the audit of the basic financial statements.

